

OFFERING MEMORANDUM

8 SEPARATE PARCELS IN TWO PROPERTIES

Containing a Total of ±51.77 Acres

Water Investment Opportunity with 3 Drilled Wells located in the San Geronio Pass Water Agency GSA. Yield estimates are 1,300 to 2,000 GPM and potentially 3,000 Acre Feet of water annually.

CABAZON, CA 92230

 Kidder
Mathews

TABLE OF CONTENTS

01

EXECUTIVE
SUMMARY

02

PROPERTY
OVERVIEW

03

SGMA
OVERVIEW

04

LOCATION
OVERVIEW

05

LISTING
TEAM

Exclusively Listed by

D. MATT MARSCHALL

Senior Vice President

619.540.5555

matt.marschall@kidder.com

LIC N° 01035488

DYLAN MARSCHALL

First Vice President

760.420.1632

dylan.marschall@kidder.com

LIC N° 02045289

WARREN MCCAFFERTY

Senior Associate

714.887.9465

warren.mccafferty@kidder.com

LIC N° 02200030

KIDDER.COM



This is a confidential Offering Memorandum and is provided solely for your limited use and benefit in evaluating this investment opportunity.

Neither the Owner or Kidder Mathews, nor any of their respective directors, officers, affiliates or representatives make any representation, expressed or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Offering Memorandum or use of its contents; and you are to rely solely on your own investigations and inspections of the Property in evaluating this investment opportunity and any offer you make to purchase the Property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Offering Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase of the Property has been fully executed, delivery and approved by the Owner and any conditions to the Owner's obligations have been satisfied or waived.

By receipt of this Offering Memorandum, you agree that this Offering Memorandum and its contents are confidential, that you will hold and treat them in the strictest confidence, that you will not disclose this Offering Memorandum to any of its contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) with the prior written authorization of Kidder Mathews and that you will use the information in this Offering Memorandum for the sole purpose of evaluating your interest in the Property and you will not use the Offering Memorandum or any of the content in any fashion or manner detrimental to the interest of Owner or Kidder Mathews.

By receipt of this Offering Memorandum, you have been advised that Kidder Mathews is acting as a broker exclusively on behalf of Seller in connection with the marketing and sale of the Property.

By receipt of this Offering Memorandum, you acknowledge receipt of the pamphlet entitled "The Law of Real Estate Agency" and/or any such required materials required by the State of Washington.



EXECUTIVE SUMMARY

WATER WELLS, VAST ACREAGE & OPPORTUNITY LOCATED IN CABAZON, CA

Kidder Mathews is pleased to present the Cabazon Water Opportunity. This consists of significant water rights on two non-contiguous parcels of land in the vicinity of Cabazon, Riverside County, California.

This opportunity consists of significant water rights on two non-contiguous parcels of land in the vicinity of Cabazon, Riverside County, California. Both properties are located within the San Gorgonio Pass Subbasin (GSA) and the San Gorgonio Pass Groundwater Sustainability Agency (SGPGSA) boundaries. As such, the water is regulated by the San Gorgonio Pass Sub-basin Groundwater Sustainability Plan (GSP) approved in 2022. These properties are located within the Cabazon Sub-basin, the majority of the water provided in this area is groundwater.



EIGHT

SEPARATE PARCELS
FOR SALE

±51.77

TOTAL ACRES
COMBINED

THREE

WATER
WELLS

ADDRESS

Helena Ave and Date Ave, Cabazon, CA

GROSS LAND SIZE

±51.77 Total Acres

PARCEL NUMBERS

528-182-049, 528-240-001, 528-176-003, 004,
-005, -006, -007 and -008

WATER INVESTMENT HIGHLIGHTS

Rate with various benefits

The properties have been investigated for their water producing capabilities. Three separate test wells have been drilled and cased. Well and aquifer investigation indicates a potential sustained yield of 1,300-2,000 GPM and 3,000 Acre-Feet of water annually.

Rural land with great access

Rural land that is located within the San Gorgonio River Basin between San Gorgonio and the San Jacinto Mountain watersheds. The property has good access to Interstate 10 and is very near the the Arrowhead Bottling facility. It is also around 20 minutes away from Palm Springs, and approximately 40 minutes away from Joshua Tree.



PROPERTY OVERVIEW

PROPERTY OVERVIEW

The offering consists of two non-contiguous properties made up of 8 separate parcels. 3 wells have been drilled and tested with an estimated combined yield of 1,300 GPM to 2,000 GPM.

WATER

The water is an overlying right that can be used be within the GSA for reasonable and beneficial uses. This also includes the potential for use within the GSA subject to legal requirements of the GPM. Reasonable and beneficial uses include municipal, domestic, irrigation and industrial uses.

PROPERTY 1

Property 1 is an 11-acre property with two water wells (Well #1 and #2) that can produce large quantities of potable water. Well and hydrology reports indicate a potential yield of 1,300 to 2,000 GPM which is potentially equivalent to in excess of 3,000 acre feet of water per year. This does not include water volume from a third well drilled on the 40-acre Dunkel Springs property.

Test pump reports indicate that the water is of exceedingly high quality and available in significant volume. A hydrologist report indicates a 50% probability that water wells in the basin will actually increase.

PROPERTY 2

Property 2 is a 40-acre property known as Dunkel Springs (Well #3) which has also been test-drilled and has both groundwater and the potential for spring water. This property also includes six small lots that could be used for rural residential uses. There is also a mountainside slope that could potentially be useful for communications towers. Anticipated yields for Well #3 are still undetermined, but a hydrologist report indicates it could be significant.

DUNKEL SPRINGS



ENTRANCE TO ARROWHEAD
BOTTLING PLANT



WELL FOR BOTTLING PLANT
& NEARBY WIND-FARM



PROPERTY OVERVIEW



PARCEL DETAILS

Entitlements are in eight (8) legal contiguous parcels, which can be sold together or individually.

SITE	APN	ACREAGE	Zoning
01	528-182-049	11.11	W-2-M-2 ^{1/2}
02	528-240-001	40.00	R-A-10-R-A-2 ^{1/2}
03	528-176-003	0.11	W-2-M
04	528-176-004	0.11	W-2-M
05	528-176-005	0.11	W-2-M
06	528-176-006	0.11	W-2-M
07	528-176-007	0.11	W-2-M
08	528-176-008	0.11	W-2-M



WATER SUPPLY AND USE

The investigated and tested 1,300 GPM yield of high quality water is based on two wells located on the 11-acre parcel.

A third test on the 40-acre parcel will yield additional water along with the potential for Spring Water at "Dunkel Springs."

This volume can rise by increasing the diameter of the pipe that is cemented 50' into the ground. The actual flow rate can vary based on factors such as the wells depth, aquifer characteristics, pump capacity, and local hydro-geological conditions. A hydrologist report indicates a 50% probability that water levels in the basin will actually increase. Initial estimates are 1,300 to 2,000 GPM.





SGMA OVERVIEW



A STATEWIDE FRAMEWORK TO HELP PROTECT OUR WATER

The Sustainable Groundwater Management Act (SGMA) passed in 2014, requires all groundwater basins in California to be managed sustainably by 2022.

The legislation requires that a Groundwater Sustainability Plan (GSP) be prepared by 2022 in those basins the DWR has identified as medium to high priority. The San Geronio Pass, San Timoteo and Yucaipa Sub-basins are listed as medium priority basins (per DWR's Final CASGEM Basin Prioritization Reports, June 2014). SGMA does not apply to basins that are managed through adjudication.

The San Geronio Pass Sub-basin GSA (SGPGSA) is identified in the Sustainable Groundwater Management Act (SGMA). The properties are within the Cabazon County Water District (CWD) and in the Cabazon Basin (storage unit) of the GSA. The San Geronio Pass Sub-basin Groundwater Sustainability Plan (SGPGSP) was approved in late 2021 and submitted to DWR. A copy of the GSP can be found at www.sgpgsas.org and DWR's SGMA Portal. The update of the GSP is required to be provided to the DWR by January 2027.



HOW & WHERE IT WORKS

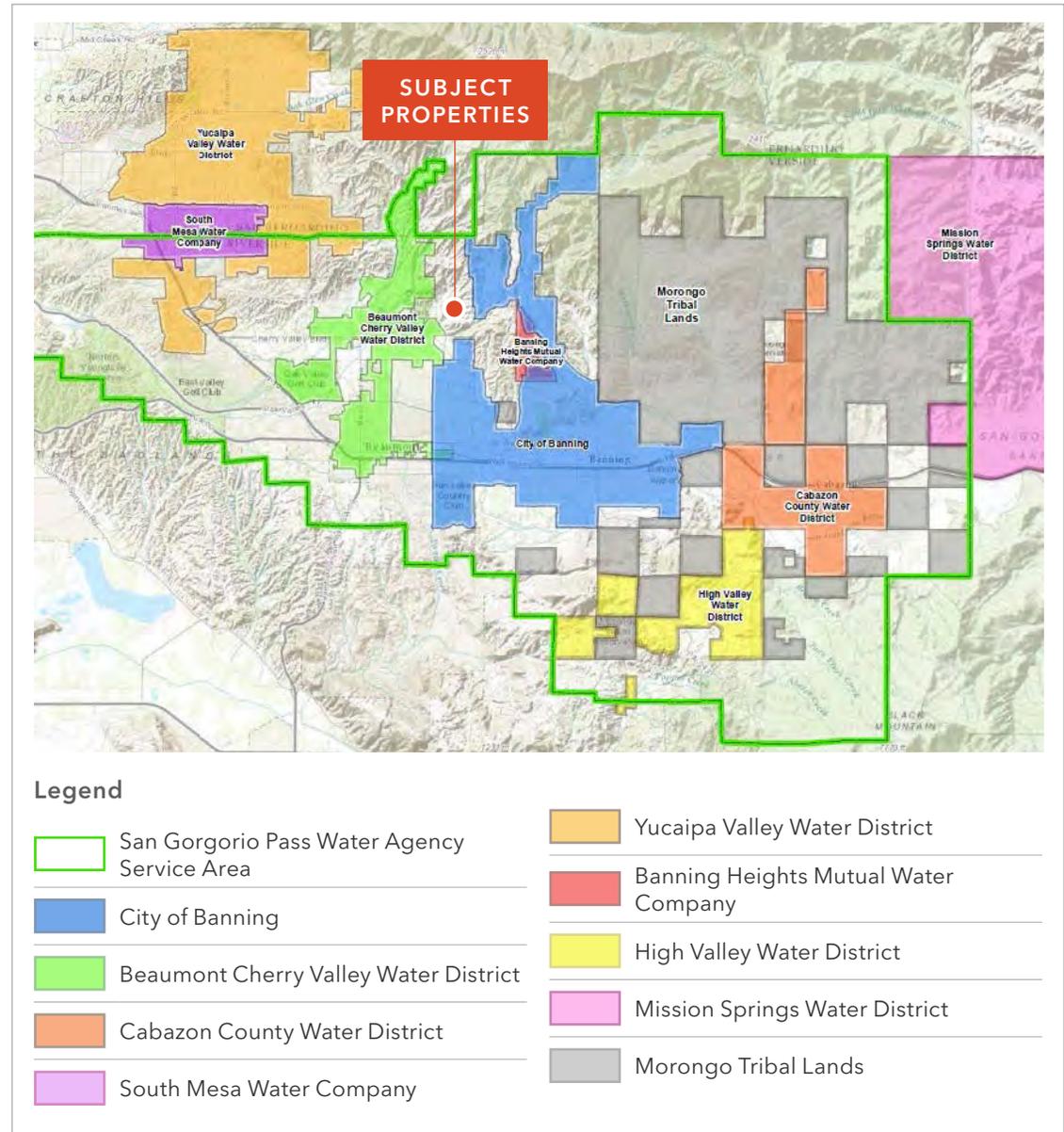
The SGPWA service area encompasses a number of different local water agencies, three (3) of which are required to prepare individual UWMPs because they meet the threshold requirement. There are three retail purveyors within the SGPWA service area required to prepare their own UWMP. These purveyors are:

- City Of Banning
- Beaumont-Cherry Valley Water District (BCVWD)
- Yucaipa Valley Water District (YVWD)

Other retail water agencies within the SGPWA service area that fall under the threshold for preparation of an UWMP (less than 3,000 connections or provide less than 3,000 AFY) include the following:

- South Mesa Water Company (SMWC)
- Cabazon Water District (CWD)
- Banning Heights Mutual Water Company (BHMWC)
- High Valleys Water District (HVWD)
- Mission Springs Water District (MSWD)
- Morongo Band of Mission Indians

Nine (9) retail purveyors provide water services to most residents and businesses within the SGPWA service area. Currently, the City of Banning, BCVWD, and YVWD receive SWP water directly from the SGPWA. All nine retailers supply water to their customers from local groundwater, which is replenished by SWP water imported by SGPWA.





LOCATION OVERVIEW



GATEWAY TO GREATER PALM SPRINGS AND COACHELLA!

Located inside the world-famous Cabazon Outlets is Riverside County's only California Welcome Center.

Cabazon is located 25 minutes to downtown Palm Springs and the Inland Empire. The Cabazon Outlets is an open-air specialty retail outlet center, with 18 brand-name stores and 30%-70% off retail prices daily. Cabazon Outlets is easily accessible to all Southern California visitors and is conveniently located off I-10.

Just half a mile east of the California Welcome Center is the Morongo Casino Resort and Spa. This 4-star resort boasts Vegas-style gaming, restaurants for every taste, and entertainment for the whole family. Also nearby is the Morongo Golf Club at Tukwet Canyon, where visitors can enjoy championship-style golf on two expertly designed courses.

Another family favorite when visiting the city is the world-famous Cabazon Dinosaurs. The creation of Dinny the Dino began in 1964 by Claude Bell using leftover materials salvaged from the construction of adjacent Interstate 10. Mr. Rex was started in 1981 and completed in 1986. The attraction has been featured across pop culture such as movies like PeeWee's Big Adventure.

LOCATION OVERVIEW



UNIQUE SURROUNDINGS

The subject properties are conveniently located within proximity to major freeway Interstate 10, a major water bottling company, a major railroad corridor, and a wind farm. Also within proximity is the City of Banning (30K population, and growing at 4% per year), Banning Airport and a gigantic newly built Skechers Warehouse.

**SUBJECT
PROPERTIES**



LOCATION OVERVIEW





LISTING
TEAM

WE APPRECIATE THE OPPORTUNITY TO DEMONSTRATE OUR *QUALIFICATIONS*

The team of D. Matt Marschall, Dylan Marschall, and Warren McCafferty are members of Kidder Mathews' Brokerage, Consulting, Valuation & Ag Finance, with more than 60+ years of combined experience.

As members of Kidder Mathew's Land & Agribusiness Group, we strive in providing brokerage, valuation, consulting, and debt & equity services. Our practice focuses on representation of growers/farmers, REIT's, institutional investors, land and farmland developers, corporations, & portfolio owners focusing on the Western United States, which represents one of the top five agricultural centers in the world.

It's an unbeatable mix – a deep knowledge of agribusiness and the local market, paired with the assurance that comes from working with the largest independent commercial real estate firm on the West Coast. This combination gives you the competitive edge you need in land and agribusiness brokerage, consulting, financing and valuation.

TEAM TRACK RECORD

\$4.3B

TOTAL KM LAND
TRANSACTIONS

\$165M

ACTIVE ASSIGNMENTS

1M+

TOTAL AC OF
AGRIBUSINESS DEALS

D. MATT MARSCHALL,
ARA, MAI, AI-GRS, FRICS
Senior Vice President
619.540.5555
matt.marschall@kidder.com
LIC N° 01035488



DYLAN MARSCHALL
First Vice President
760.420.1632
dylan.marschall@kidder.com
LIC N° 02045289



WARREN MCCAFFERTY
Senior Associate
714.887.9465
warren.mccafferty@kidder.com
LIC N° 02200030



TERMS

This property is being offered at an unfixed priced.

Submit all offers to D. Matt Marschall. All serious offers will be considered.

DUE DILIGENCE Recommended to be no longer than 120 days

CASH AT CLOSING 60 Days after Due Diligence

Exclusively listed by

D. MATT MARSCHALL

Senior Vice President

619.540.5555

matt.marschall@kidder.com

LIC N° 01035488

DYLAN MARSCHALL

First Vice President

760.420.1632

dylan.marschall@kidder.com

LIC N° 02045289

WARREN MCCAFFERTY

Senior Associate

714.887.9465

warren.mccafferty@kidder.com

LIC N° 02200030

KIDDER.COM

